

ADDRESS TO CIA EMPLOYEES

BY THE

DIRECTOR OF CENTRAL INTELLIGENCE

9 August 1977

Good morning. I asked to get together with you as one of the representative groups that I hope will help to pass the word of what I have got to talk to you about through the Agency. I wish there was some way I could talk to everybody at once; it does not work out. I am pleased you are here. The reason I am here is obvious. We have all been waiting with expectant breath for about six months now for the Presidential decision on reorganization of the Intelligence Community. If you are aware of the notice we put out last Thursday, that basic decision, it is not all finished, but the most important part was decided by Presidential decision memorandum last Thursday. What I would like to do this morning is--recognizing that we are still working on the detailed implementation of this--we are developing a new Executive Order to replace Executive Order 11905 that governs our operations now, in addition, of course, to the law. We are looking at whether changes in the law are going to be necessary. This is in a state of flux; we still have not had any opportunity to coordinate with Congress and the various committees who are concerned, but I feel that I owe it to you and I want to share with you at least my thinking at this stage. I will try to be as explicit as I can, but I will also try to be explicit when I do not know exactly how things are going to work out. When I finish casting doubt and confusion on the picture, I will ask for your questions,

and we will see if we can go away with some better understanding of what impact this overall decision of the President's last Thursday is likely to have on us.

Let me start by saying I am very pleased, both as the DCI and as the Director of the CIA, with the nature of the decision that was made. I think it was a good one, and I think it is going to improve the effectiveness of the overall Community. I think it is going to enhance the position of the CIA within that Community. It is a good move.

Now, how did we get there? Well, we got there through a long, six-month period of debate, discussions, which culminated in several meetings of the PRC (Committee of the National Security Council), in which not only was my view and Secretary Brown's view, but a number of other views or plans for how the Community should be organized were set forth. We had good, constructive, stirring debates. We could not, after two prolonged meetings, come to one clear, agreed solution. In fact, I would say there were really three or four solutions floating around when we finished. So each of us who desired to, and I was certainly one, wrote a proposed solution and they were packaged together and sent to the President, along with the minutes of these PRC meetings.

He reviewed them thoroughly, turned it back to the Vice President to get us together again, individually and in groups. The President talked with us all, and he finally came up with his solution. Now, there are a number of really good things about this. First of all, let me allay concerns the media sometimes has tried to raise. There is no great acrimony, there is no hard feeling, there is no great animosity that has been generated by this between Secretary Brown and myself or anybody else. Yes, any two men looking at as complicated and as important a situation as this will probably come up with different solutions. I am happy with what has come out; Secretary Brown is satisfied with it. We both sat down the day it came out and agreed on how we are going to make it work. There is only one thought in both of our minds--make it work--not sit here and fight the issue and push for pieces of turf one place or another. We have had marvelous cooperation from the people in Defense as we are proceeding forward with this. I think that it has been healthy within the Community. From your point of view and mine, I think we should not lose sight of the fact also, that a great deal of high-level attention from the President, Vice President, Secretary of State, Secretary of Defense, National Security Council Advisor Brzezinski, and others has gone into this process. You and I, as the professionals in the intelligence business, can only benefit

by that attention. By getting the top policy makers understanding of and involved in our business--that is great. That is going to be a plus that will help us as we go forward. People will be more understanding, people will be more anticipatory, looking for our product, and right on down the line it is a plus for us all the way. Now what actually has occurred makes me particularly happy that we will have in the role of the DCI more authority to bring this Community together in a coordinated and effective manner. Three principal things: The first is that I have been made chairman, and incidentally I did not ask for this chairmanship. I asked to be on the committee, but they decided it was best for the DCI to be the chairman, and that is fine with me, of a new committee under the National Security Council that will set the priorities for the Intelligence Community--the overall substantive requirements of intelligence. This is a good thing for us too because really we are here to provide a service and people who receive that service are the ones who should tell us what they need. As they tell us that, it begins to be sure that we are involved in the policy process in a proper way. We do not make policy, but we cannot make good intelligence unless we relate to the policy--unless we are providing a service that is being employed by the customer. This will involve our customers because Secretary of State, Secretary

of Defense, Secretary of Treasury, and the National Security Council Advisor are the other members of this governing body under, of course, the President, through the National Security Council apparatus. So that is a plus.

The second plus is that the DCI has been given full budgetary authority. I will have the authority to make the final budget decisions as they go forward to the OMB, the President, and the Congress, the responsibility to support the budget on the Hill, the responsibility to take the money that is appropriated through the President, the OMB, to the DCI and apportioned out to the various agencies whether they are in Defense, CIA, State, or Treasury or where ever they may be. This is a very effective tool, as you can well imagine for bringing the Community together. This is not a question of wanting more power. This is a question of wanting to be sure that on the one hand we coordinate well, and on the other hand we do not leave any gaps. I am as concerned in our business with gaps as I am with overlaps. The one costs us money; the other may cost us our security. We have got to be sure that all of our agencies are working together so that we have the right amount of overlap and no critical underlaps.

The third area of improvement is that the DCI has been given full tasking authority over all the collection agencies

of the Intelligence Community. Now, I am talking national intelligence here. What in the national, foreign intelligence budget? I am not talking about the scout on patrol from his platoon or the aircraft going off an aircraft carrier for reconnaissance mission or things that are purely military-tactical intelligence. Anything that is paid for by the National Foreign Intelligence Program budget will be tasked by the DCI. The degree of detail in which it is tasked is, of course, something that has to be worked out on the scene. I do not intend to go down and tell a pilot how to fly his airplane, but we do intend to tell him what we want him to do and when we want it done, what the targets are, and so on. For the purposes of tasking, we will create a National Intelligence Tasking Center. This was my suggestion into this debate. It was my effort to ensure that we will have a system such that if we go into a wartime condition, and the military requirements become more important in this process, there is ample opportunity for that opinion, that voice to be heard, and there is specific provisions in the President's decision that if he felt it desirable, he could shift the National Intelligence Tasking Center's control from the DCI to the Secretary of Defense. That would be his decision. We will have one room, one group of people, with representatives from all the collection tasking, from all the agencies, and all the production

agencies of the Community, and the people will sit around and decide what the day-to-day, month-to-month, year-to-year tasking ought to be, and then they will vote on it. When they have finished, there will be one more vote and that will decide it--the chairman--and that will be myself in peacetime. In short, today we do not have a clear line of authority for tasking. If there is a split opinion and decision, it may filter through the cracks while time flitters away and we lose an opportunity. This has qualified that, it has made it explicit, we will have nay votes around the table, and the ayes will have it. If the President feels that it is a crisis or a wartime situation, all he does is say, "Secretary Brown, you take the gavel from Turner, and you are the aye vote, and you decide it." I think this protects people's interest and gives us a good authoritative way of handling the whole tasking situation.

Now, let me go on from there to talk about how this will affect our internal Intelligence Community organization. Here, I want to make it very explicit that what I am telling you is tentative, what I am telling you is in some sense, in confidence, because some of the things that I hope and think we will do really require some Congressional backing and support. I do not want to get out in front and get in the newspapers having decided things I cannot decide--

that I have to get approval for. Let me outline it for you as my thinking stands today and recognize that one has to go to other authorities to get full approval. Basically, I see this new decision as giving us the opportunity for an organization that will have four subordinates reporting to the DCI directly. The first will be the DDCI, who will manage the CIA much as the relationship is today--try to delegate most of the day-to-day management to the DDCI. He will have the full authority, or the DCI and DDCI under him will have the full authority over the CIA. Note that despite some suggestions that in this reorganization the DCI and the CIA Director ought to be separated, this is not the case. I will have both jobs, and I am very pleased that it has come up that way. I think that it is the best solution, and I am very pleased to continue to be the Director of the CIA as well as the DCI. The second subordinate reporting directly to the DCI will be what we call a Vice President for collection. In fact, it will be the Director of this National Intelligence Tasking Center. That Director will not have management authority over anybody. He will not have people working for him in the sense that he is their hire and fire, feed and quarter, and take-care-of-all-their-problems boss. He will have coordinating authority for the tasking; he will be able to give orders to the CIA collection elements (DDO, DDS&T); he will be able to give orders to the

NSA, to the NRO, and to any other collection elements of the Intelligence Community. That will be his job to tie all that together into a harmonious, carefully coordinated operation. Now in point of fact, I have already progressed down the pike. Several months ago I created something we just called ad hoc, the DCI Planning Committee, and the point was that I was sitting around here having trouble when we wanted some intelligence collected in some areas of the world. I would push one button, and I would get one answer, I would push an NSA button and get another answer. I got tired of that so I created this committee which has all of the collectors and the producers represented on it. I now push the button, and it says John McMahon because right now the Intelligence Community Staff is running this for us. John gets the COMIREX, HUMIREX, and SIGAREX Committees. I guess that is not the right names, but anyway he gets the three committees together, and they come up with a coordinated plan. We want more information on Shabah Province. We had a disaster when I first got here trying to get information about Shabah between different agencies overlapping and underlapping. Well, now, I go to one fellow, and he gets all the people around the table, and we come up with a good plan. That is what the National Intelligence Tasking Center will do.

The third person reporting to the DCI will be Dr. Bowie-- I will step aside so you can see Dr. Bowie--who will be the Vice President for Production in effect. Dr. Bowie will have under him a new combined organization of the NIOs and the DDI. For all purposes except housekeeping in a sense, the DDI will be under Dr. Bowie and not under the DDCI. Let me explain that because it gets a little complicated. Dr. Bowie now has the NIOs; they work very closely with the DDI under this new arrangement. Dr. Stevens will become Dr. Bowie's Deputy, and they will work together in this combined organization.

Secondly, Dr. Bowie will have responsibility for coordinating for the entire Community the production efforts of the INR in State and the DIA in Defense. In short, on the one hand he will be the boss of the NIO-DDI production unit, and he will be the coordinator of that unit with the other production units of the entire Community. What does come from or why do we want to do it this way? To begin with, if you look at the Presidential decision, he has reaffirmed very expressly that he wants the DCI to be the central manager of the production and collection of national intelligence. National intelligence is that which affects the entire government operation as opposed to what we call tactical which is really a very military thing. I think you

can also call some State Department intelligence tactical in the political sense too because it is down to the level where it deals with the individual operations of embassies or in the military sense the individual operations of military commanders only or primarily. In producing national intelligence today, the NIOs and the DDI people are interwoven and depend upon each other very, very much. So I have decided to end this artificial organizational fracturing here and bring them together. What this is going to mean is that the NIOs will continue to serve as the principal substantive staff officers for their individual areas-- functional or geographical as they may be. They will serve the entire Intelligence Community in that regard. They will be the overall honcho for Asia, Africa, or whatever their area is. They will also serve and give the basic guidance to the DDI analysts as to how to tie into this and how to provide that support. Surely, the NIOs are going to have to rely primarily on the DDI for their production support. We do not anticipate any major organizational changes as a result of this; we are going to merge the front offices. Dr. Bowie and Dr. Stevens will be putting out some directives on this very shortly that will clarify it for everybody. Let me now emphasize one point that has come up with concern to DDI people. This will in no way take the DDI people out of the CIA. This will no way jeopardize their

career status, their retirement benefits, their privileges to join the credit union. People have asked me all kind of questions about what they are not going to have as a result of this. I am absolutely intent there will be nothing done in this entire reorganization that will in any way jeopardize an individual's rights and privileges--the way we look after you, the way people are taken care of around here. That is our first concern; people are the organization in this operation, and we have got to take care of our people and take care of them well. There is no intent here in any way to change your status. It is possible over time with changes in the law that there would be a change in status here, but there will be no such change that will in any way jeopardize anybody's position, job, influence, rights, retirements, or anything else like that. We will not make any such change unless we can ensure that everything will be protected, and we are talking down the pike, we are not talking now. The DDA will continue to provide full personnel support to the DDI even though for its organizational and operational functions, the DDI will report not through the DCI, not through the Deputy for the CIA, but through the Deputy for Production, Dr. Bowie.

The fourth Directorate will be Budgets and Evaluation which will be what is left of the IC staff. We will be

taking COMIREX, HUMIREX, and SIGAREX out of the IC Staff and moving them to the Vice President for Collection in the National Intelligence Tasking Center, and the very fine residual of the Intelligence Community staff under John McMahon will be the Vice President of Budgets and Evaluation. This will be a greatly expanded operation not necessarily in terms of people but certainly in terms of importance. We will have to beef it up with people also because they will now be managing, really managing, the budget for the entire Community.

Let me just tell you the overall philosophy behind this. The National Intelligence Tasking Center is to ensure that we have this coordination of collection elements. The merging of the NIOs and the DDI, and giving the boss of that group the coordinating responsibility with INR and DIA, is to ensure a careful meshing of the production estimating functions. Incidentally, to be sure, in that process there is no czar, as the newspapers like to talk about it, of intelligence production, of intelligence interpretation, and intelligence estimating. That is a canard; we have definitely built in, and I have strongly advocated from the very beginning, the continued independent operation of INR-DIA, and I really want that overlap, that competition. I want the DIA to be strong in military intelligence and moderate

in political intelligence, and the INR to be strong in political intelligence and moderate in economic intelligence, and the DDI-NIO organization to be strong in all three so we have that overlap in meshing and the divergent views come forward. If there is any complaint I have had with Dr. Bowie and Dr. Steven's operation today is I want more divergent views. I am tired of people coming up and telling me what will happen in the future. I do not believe the Delphic oracles we have around here. What I want to know is--it may happen this way for the following reasons but it also may happen that way for following other reasons. Now weigh them out yourself boss and see what you think the answer is going to be. That is the kind of thing we are paid to do rather than make express predictions. I am off the subject now and onto one of my soapboxes.

I recognize that while there is in my opinion a sincere need in the Community today to emphasize this coordination of the collection elements on the one side and the production elements on the other that you cannot have good intelligence unless you have production and collection working together.

I hope and believe that under this organization we can promote that and keep it largely by use of first, the Priorities Committee I described at the beginning, setting the overall priorities and objectives so that we are sure that collectors

and the producers are working toward the same goals. Secondly, by means of the Budget and Evaluation Authority that hands out the money and makes sure they are doing what they are supposed to be doing and that they are working together and that the evaluation assures that. I believe we can emphasize this coordinating function and yet not get production and collection out of synchronization.

I do not want to overlook the OLC, the OGC, the Public Affairs Office, Comptroller's Office, the Inspector General. Basically, they will continue to report to the DCI, provide services also to the CIA--whether we decide at some distant point in the future to split that and have separate support for those other areas for the DCI and for the CIA is another area we just have not addressed--but again, it in no way will jeopardize any of the individuals involved. I would like to stress, while we are on this subject, that we will increase the strength of the Inspector General's Office and increase its sense of responsibility and importance here. We are getting more and more oversight from the outside, and so we are going to have more and more innersight or whatever one calls it. We have got to keep track of our own house and do it well. It is not that I have any particular concerns, but it is that with oversight being the key word today, we have got to be sure our Inspector General has the

resources to stay on top and to revisit with a frequency that is necessary to ensure that we have good oversight from inside our own house.

Let me talk briefly then about the other three Directorates of the CIA as they now exist in our Agency and give you my views on their future and how they fit into this.

DDS&T: To begin with, the new organization reemphasizes the importance of continuing the strong imagery and SIGINT operations of the DDS&T. As the DCI, I find it absolutely essential to have that expertise available to me from people who work for me and are loyal to me so that I can maintain an overall perspective on the SIGINT and imagery operations of the entire Community. This organization will heighten that importance. I would anticipate in the future we are going to want, under the Vice President for Collection, to bring the SIGINT operations of DDS&T and the NSA under closer coordination, but I am still intent that we retain the independence of the CIA SIGINT operations. We have a very close working relationship between the CIA DDS&T's imagery operations and those of NRO today, and I would anticipate that continuing and becoming perhaps even closer.

The second role in DDS&T is research and development. Here again, the new organization makes that even more

critical. I find it essential that I have somebody in the Community who is looking at R&D from an overall national point of view, not just a military intelligence point of view. That is the function of the DDS&T as well as, I think, providing some competitive spirit and innovativeness into the R&D process of the Intelligence Community. I believe the DDS&T over a time has been superb in this regard and made tremendous contributions to our country. We must retain that.

Finally, the DDS&T's FBIS operations is, if anything, in my view becoming more important and will have to be continued. Under the DDCI, the DDS&T will continue very much as it is today with the tasking now coming from the National Intelligence Tasking Center.

The DDA: There will be no diminution of the support required from DDA throughout all the elements that operate under the DDCI, for the DDI over/under the Vice President for Production, for actually the Intelligence Community Staff which will become the Budget and Evaluation Vice President, and so on for the DCI's office and so on. I think there will be areas in which the DDA will probably have to expand under this new organization. I am particularly interested in communications and ensuring that somebody

is looking at the overall communications structure of the Community. I have some concern that there may be too much duplicatory communications capability. Secondly, I am very interested in ensuring that we strengthen the security function. We are going to put some more people into that.

I digress for just a second to share with you my intense concern about the security situation in our overall country and throughout the Intelligence Community today. We just cannot go on picking up the newspapers and reading about quotations from highly classified documents like PRM-10. We cannot afford Boyce Lees, espionage traitors, giving away secrets it costs this country billions to create, and in some measure compromised by this kind of espionage activity. We are taking a number of steps. I solicit your ideas; I solicit your intense interest and effort in closing all the barn doors that we can. We have made inspections recently of two industrial contractors and found them both in a very, very sad state of security control. What I mean is that the kinds of errors that we found are not just serious because they may lead individually to the loss of information. They are indicative of a lack of attention and seriousness to the problem. When we find 40 and 50 members of our own Agency carrying classified material out of here when we do a spot check of bags and packages, it bothers me greatly because it

is the same kind of perhaps sincere dedication we want to work more at home or something. I appreciate that, but we just cannot go on throwing away the national wealth, the national effort, the national security by giving away what we work so hard in the Intelligence world to get.

DDO, and we start carrying right on from there with counterintelligence. It is again, I think, going to require even increased emphasis in the future. I am particularly concerned to get counterintelligence into both the technical and the human areas to make sure we are denying the opposition every opportunity that we possibly can from a technical as well as an espionage point of view. The reorganization study under PRM-11 really is not fully complete yet. There are pieces of it that are still being worked on. One of which is a proposed program to have a new coordinating group to run counterintelligence so that there is maximum interplay between the FBI and the CIA. We are still working on that. Decisions will be forthcoming, I think, within a matter of weeks.

The second function of the DDO, of course, is covert action. Covert action is not popular today. I can assure you the President, Mr. Brzezinski, Mr. Vance, and myself are all dedicated to maintaining a capable, viable, strong

covert action capability in this country. We go in waves of enthusiasm and lack of enthusiasm, and yes we are not highly active in covert action today. Many people are thoroughly opposed to it, but it is absolutely essential that we have that potential, that capability ranging from the paramilitary right on down to some of the lesser dramatic types of covert action, in the kit of tools that a President may have available to him. I can anticipate a day when we would be found wanting if we were not able to offer that capability when called upon.

Of course, the principal tool of the DDO is clandestine collection. I believe that the demand for this type of intelligence collection is on the increase in every area. It is partly on the increase because if you read the Carter foreign policy and the Brzezinski and Vance attitudes toward foreign policy, we are becoming more interested, more involved in more countries, more areas of the world. We are not going to neglect our focus on the hard targets--Communist Blocs--but I think we are going to become more involved, particularly in the economic and political spheres with more countries around the world. We are going to want more DDO products on indigenous intelligence, on areas where we do not even have DDO representation today. I would anticipate strengthening and trying to increase, if we can get permission

to do so, the DDO representation overseas. Let me just emphasize that I do not want anybody running off from what I have just said and sending a message to some Chief of Station saying change your targeting policy from target A and B to objective K. We will do that in due, deliberate course and largely probably through this Priorities Committee. That is my inclination, that is my attitude. It is not that I am really sure that we want to shift away from the objectives A and B, the hard targets. I do not know whether we are going to be giving additive requirements to our Chiefs of Station, or whether we are going to be substituting. We cannot just give them more without more assets I recognize. Those are policy decisions we have not made. They will be officially enunciated station-by-station and area-by-area if and when the time comes to change. I am sharing with you my thinking at why the DDO is going to be in increasing demand; I am not giving directives at this point.

I see clandestine collection becoming more important because of our need for political intelligence and economic intelligence; these are on the increase. I think too it is going to be needed to help keep our SIGINT and our imagery viable. I think we have to play this as a team and get information from clandestine collection that will help us know what and how to target these technical systems.

Now, over the five months that I have been here, today being the fifth anniversary of my swearing in I have been looking carefully into the DDO, a very thorough and careful review. I doubt that you would respect me had I done otherwise. I know that it has caused some concern around the campus, but I have a mandate from the President to ensure that the clandestine covert operations of the Agency would be conducted in a legal and, in his view, a proper and ethical way. I engaged and tasked [redacted] to be my helper in doing a thorough review of the DDO and its operations because I knew my time personally would be limited. He worked on the Headquarters end of DDO first, has completed that, will be proceeding in time to the [redacted]

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[redacted] I want to say that he has given me 11 notebooks worth of review of the DDO Headquarters side of things. I have reviewed them all, and the two of us are in full agreement that things are not only in good shape, they are in very good shape. I have worked with Bill Wells through these notebooks. We are not through them all yet, but we are working on them one by one, and we are making small adjustments here and there. These are matters of judgment and policy; they are not because there is anything in my view that has been done in an improper, illegal, or any otherwise reprehensible manner. DDO is doing its job and it

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is doing it well. I am impressed by the take and the quality of it. I am impressed by the breadth of coverage of it. I am impressed by the operational performance, both in the field and in the support that is given to the field from here at Headquarters. My goals for the DDO are to increase the quality and capability to provide cover for its people. Not particularly the DDO's fault, but it has become a rather serious problem. We are working on many fronts to try to correct it. Secondly, to maintain the basic professional core of DDO officers at about the same level that we are at today. And thirdly, to make the DDO a leaner, more efficient operation overall. Now in that connection, in 1976, Bill Wells undertook the study of the DDO, and he came up with a three-phase program. The first phase was some restructuring of the internal organization, it was executed last year. The plan called for a phase two to be executed in the summer of 1977. He came to me about a month ago with this plan. It called for a substantial reduction of personnel in the DDO over about a seven- or eight-year period. I reviewed it, I felt uneasy with it in a couple of regards. The first was that I was uneasy as to whether we should take that substantial a reduction because of my intuitions that we might want to be putting more people overseas in some places. I sympathize with the fact that, however, that over the last decade the ratio of people in Headquarters and the

ratio of people in the field in the DDO has flipped. We have a higher percentage here today than we deserve. I was also concerned that a plan for substantial reduction that would be protracted over such a long period of time would leave a very unsettled state within the Agency--people not knowing their status a year or two down the pike. So I made two amendments to his plan. I reduced the reduction, made it a smaller number, and I compressed the execution of it into a two-year or actually a 26-month period. In the next 26 months we will eliminate something over 800 positions in the DDO. This comes from a conviction within DDO, in my own thinking and on Capitol Hill, that the DDO has not yet settled into its right size and shape as the result of the draw down from Southeast Asia. There have been reductions before as you are well aware, but there is every evidence in the reports I have received and the attitudinal surveys that the Agency has taken itself over the last several years and I have a strong belief that there are many people underemployed in this operation. I do not think that is something we can or should tolerate. I want every person here in this Agency to feel fully challenged and thereby feel a sense of reward and accomplishment. I want to be sure that we have an attractive career opportunity here. The future and the health of this Agency, which is so critical to our country, depends on our being able to attract and retain the right

kind of people in all areas as they come forward. Therefore, this reduction is in no means a retributive one. This is one to become lean and efficient and effective. We intend to try to execute the reduction in as helpful and as humanitarian a way as possible. I said that this morning with some newspaper men at breakfast, and they said you mean you are not going to hang anybody. You cannot get away with anything around this town.

Seriously, we will take the reduction by attrition first. The normal attrition will absorb as much as we can. Secondly, we will put greater emphasis on the more senior people who have the opportunity to retire so we do not deny that opportunity to others who have not achieved retirement status yet insofar as possible. Thirdly, we will look at the records of performance, and those who have been consistently in the bottom quotients will be the ones first asked to leave.

Now, it is a 26-month operation. We will produce the names of all people who will be required to leave in Fiscal 1978 by the first of November 1977. No one will be required to leave before the first of March 1978. We will work on Fiscal 1979 in the following way. We will produce the names by the first of June 1978, four months before the Fiscal Year

begins in 1 October 1978, and we will phase the reductions through that entire fiscal year ending 30 June 1979. As I say, there will be more reductions at the top proportionately, the percentage of cuts. We just cannot afford as we compress from our much larger size before Vietnam to go and become top heavy.

I want to reaffirm in closing on this subject with my conviction that we must have a strong DDO in the long run and that this action is being taken in the name of making it stronger. As I said at one point, the basic cutting edge, the operational professional end of the DDO will remain at about the same size with cutting really surplus personnel largely from the support element here at Headquarters.

Finally, let me say that in these past five months, I have spent a lot of my time simply getting to know you, getting to know the Agency, getting to know the Community, getting to know what my responsibilities are as the Chief Intelligence Officer. I spent a lot of time necessarily studying organization and purpose and how to be more efficient in the Community. Now that decision is basically behind us. We have got lots of tidying up to do, but it is time to really start looking forward and saying with this new basis, this new organization, where are we going to go.

We should all feel pleased and confident at the expressions of confidence the President has made in us and his willingness to give more centralized responsibility and authority to the Director of the Intelligence Community. It shows that he wants intelligence and he wants it done well and he has confidence in us. I have heard him say that repeatedly. I hope all of you have heard it in some of his public utterances and in particular his praise on 60 Minutes and elsewhere of the CIA itself. I have been told over the months I have been here by every former DCI who is still alive that I could never find a more dedicated a more loyal, a more competent group of public servants than those here in the CIA. I can say to you with great sincerity after five months I have become a full believer in that. I have been around the government a long time, but I have never known a more competent, capable, and dedicated group of people than we have here. We now (with this new charter, with this new outlook) have our work cut out for us. We are going to be put to the test. We have got to produce. We have got to warrant the confidence that has been placed in us in this new attitude and decision by the President. We have got to deliver. I know I can count on you to do that. Thank you.

Q. These cuts in DDO, is that in addition to the OMB cuts or is that going to be included?

A. That will be included. I think the OMB cuts will affect other Directorates to some extent besides the DDO, right.

Q. During your last        you were talking about the DDO, you said that Mr. Wells came to you with two questions. He came with a three-phase change in the DDO. One was restructuring in 1976 which took place, the other one was a substantive reduction over a eight-year period, a period which was modified. First question: What was the third phase (Wells' reply inaudible).

A. That is not really looking, at least I have not talked with Bill much about this, but I am not going to encourage him to go look for ways to cut field stations. I think we are going to look at the readjustment of them and the things I have been talking about of maybe wanting to add more people in different places; there may be some reallocations. I do not think the field activity is one that deserves any kind of a major reduction. Right, Bill?

(Wells) That's right, that was the overall plan.

When the President came out here on the ninth of March and talked to us before the swearing-in ceremony, he specifically said that he wanted me to look at the allocation of our DDO assets around the world. Were they in the right place for where the country is going to need its intelligence five, ten years from now? We cannot just turn that kind of thing on and off.

Q. A different area, . . . Office of Communications, you said that you wanted the Office of Communications possibly to expand in the future to look at the overall Intelligence Community requirement. How is it going to relate to the present situation or condition that we have with the State Department communication?

A. We are in the midst of a study with the State Department. We have been having trouble getting it off the ground, but I think it is beginning to roll. I talked to the Secretary of State about it ten days ago and urged him to get his people going. I know it included what I had in mind was not only the pure Intelligence Community communications but those of the State Department perhaps even the White House communications. Anything else that can be effectively brought together to

reduce overlap. We all know that redundancy in communications has some benefits so I am not just talking about getting us down to one system for everybody necessarily. Clearly in my short time here, I have seen one example where competitive communications led to a bad situation in an operational sense. Yes, I am interested in coordinating carefully with the State Department on the overall communications picture.

Q. Under the present organization, the DDCI is a Presidential appointee. Will this continue and will your other vice president's or directors be Presidential appointees and require Senate confirmation, or will the DDCI not or how will that work out?

A. I suspect they all will require Presidential confirmation but I cannot make that statement because that is up to the Congress whether they are going to put that in the law which is where it belongs and how they feel about it. There are two sides to the story. If you get them to put it into the law and then you are locked into having four people now until you can erase the law. There are advantages, of course, and I would suspect they would want to interview these people and pass on them. That will probably be the way it will turn out. I think the change if we do get the law changed at all will be the DDCI will no longer necessarily

be the number two fellow in the Community which he is today because he is the only Presidential appointee besides myself. That is my concept if the Congress will go along with it; we will have four deputies who will be equal and if I go out of town or go on leave as I am going to go tomorrow I would say, "Joe, you have it this week, or Bill, you got it next time," depending on the circumstances.

Q. CIARDS--do you know what the effective dates will be yet? 25-year, 5-year period?

A. Blake: Yes, there is sufficient quota to take care of it. So your question is basically affirmative.

Q. What is the period?

A. Blake: I do not understand what you mean by period?

Q. Saying--"It will be open until October."?

Blake: Oh, I am sorry. There will be a paper out in about five or seven days which will announce that time. We are working on it now.

Q. Sir, do you envisage that the national tasking authority will be able to task the Foreign Service, and what do you envisage the future role of NFIB to be?

A. First question, the real answer is no because the Foreign Service is not part of the National Foreign Intelligence budget, but we have been working over the last several years, as I imagine you are aware, with scope studies and things like this they are called, that let us feed into the Foreign Service how we think they are doing and what we need more and would hope that this whole process of having a Priorities Committee, and so, on will continue to feed into the Foreign Service through our most important collector of intelligence. Your second question was NFIB; the National Foreign Intelligence Board is specifically required in the Presidential Directive to be advisor to the DCI on the budget process. It has not been in the budget business before so it is sort of changing its character and will probably change the composition even some, but that is one principal function that it will have. I would intend, also, to continue using the NFIB in its present sense of reviewing the product. When we come up with the National Intelligence Estimate, I want advice before I sign off on it. It is my estimate and I will make the final decision, but I do not

want to do that unilaterally. So I will use the NFIB in these two ways. The budgetary advice and the advice on the substantive intelligence that we produce for national purposes.

Q. . . . Has there been any decision on who would head that up and where it will be located?

A. No. John and I had a talk on it yesterday which revealed to me how much thinking and decision I have got to do on it. It is a very complicated issue, and there are a number of places it could go, and each one would have some different costs. Basically, the only thing I can really tell you in all sincerity at this point is that the COMIREX, SIGINT, and HUMINT committees will be the basic core of what we build into this thing. I suspect there will have to be additional people, and we will have to find a director for it.

Q. Sir, you mentioned that you wanted to retain independence of the DDS&T SIGINT collection capabilities and that they are the same. I am concerned about the independence of DDS&T to produce the adaptance to collecting much of the analysis that started in the DDI to change some values produced by DDS&T in House. How do you perceive that for the future?

A. I am not sure I see how this in any way inpinges on that. I am sure we want the DDS&T's data to flow to the DDI and to the other DIAs and INRs. I really did not touch on it. There is a specific provision in the Presidential Directive that says the National Intelligence Tasking Center will be responsible for insuring the immediate dissemination of the material collected by all the collection agencies. That is a very useful and important provision because every once and awhile I hear allegations. I have not really pinned them down to my satisfaction yet though that one agency is withholding from another. We all know that that kind of thing, is at least an accusation going around about it all the time. I think this provision in the directive gives us a handle to prevent that and I want to be sure that if DDS&T has collected some imagery or some SIGINT of value to not only DDI but to anybody else that it properly gets there and gets there quickly. I am not sure I am really dealing with the specific you are asking though.



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Q. The merger of DIA-NIO structure, in view of the fact that the NIO structure does not directly correspond with the office structure within the DDI, is there anticipated that there will be some reorganization eventually?

A. Dr. Bowie.

Dr. Bowie: No, on the contrary. The assumption is that the offices of DDI will continue to be organized substantially as of now and that the NIOs will provide one means of organizing the multi-disciplinary type of work which is being developed and expanded. The two will continue to be essentially organized on the same principals as they are now.

Q. As a follow-up has any consideration been given to naming this new entity?

A. Not at this point--I think again we get into the legal aspects and that has to go before the Congress if we are going to change the name.

Q. When does this grand merger take place.

A. Tomorrow. Somebody asked that question yesterday, and I asked Dr. Bowie when he would be ready, and he sort of mumbled a little bit so now he has made a commitment. Seriously, there is really such a minor perturbation in all this that we are going to faze into this entire four-deputy structure as rapidly as we can. Dr. Bowie and Dr. Stevens are going to put out their directives on implementing this within the next few days--as soon as they can. They have been working on it and thinking about it for sometime. We were going to do this regardless of the reorganization. This is within my authority. As long as I do not take the people out of the CIA, that is, do not change the legal status of them, it is perfectly within the Director of CIA's authority to ship these people around or the DCI's authority--I do not know which. So, we will proceed with that step as expeditiously as we can and in a smooth way. John McMahon,

as I say, has really got the tasking center, sort of, in the DCI planning committee in a sense already, and we will begin to move that into its new form as soon as we can. The IC staff, the remnant of the IC Staff, is the Vice President for Budgets and Evaluations. So, there really is a lot of just slide-in, almost imperceptibly, as soon as we can.

Q. Can you provide some more information of the processing of imagery?

A. Well, what kind of information would you like?

Q. Right now you could say we have the National Photographic Interpretation Center, we have several organizations within the military structure, DIA, those associated with the commands, all headquartered in [redacted] You have national tasking already associated with the collection, Then what is going to happen with the exploitation and the resource [redacted] Is there going to be some kind of better delineation of tasking, to exploitation, to the analysis that should be done than under the Vice President of Production? What loops are you going to close? .

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A. That is a very good question. I will be very candid with you. I do not think I have yet come to understand that whole process as well as I would like. I have some concern whether too many people are looking at the same picture, though I am very hesitant to suddenly say that only one person will look at that picture because it seems to me that there is a great skill in looking at photography and interpreting it properly and having the imagination to see that this little clue here was different than it was the last time and looking at it from different perspectives of what you are interested in has some value. I would say, that basically the processing will remain with the collecting organizations as it does today. I would like to make sure that on this new system, just as I answered to the question on the SIGINT contribution, that there is a full passage of this information to the analysts in the appropriate agencies. I personally am not at ease that the thing is as efficient as it should be. I do not want to be critical; I think it is a marvelous operation. Whether we have more duplications than we need or not, I have not yet personally reassured myself.

Q. Have you established a timetable for the nomination of these Vice Presidents and where might they come from?

A. No, I have not got a timetable other than I am anxious to get moving as fast as I can. The key element in any critical decision like this is to be sure that you have got the right person. I am going to take whatever time I am going to need to assure myself I have done justice to looking the field over carefully. I will look inside the Intelligence Community, not only within the Agency, but the other elements of the Community. I am also going to look outside--entirely new people. It really does not answer your question, but that is exactly where I stand so I cannot tell you anything more.

Q. \_\_\_\_\_ four deputies reporting to the DCI, where do the directors of NSA and NRO fit with respect to this organization?

A. They report to the Secretary of Defense, and they get their tasking directions from the Director of the National Intelligence Tasking Center, so they have a split master in a sense. Organizationally, housekeeping, budget implementation, day-to-day operational matters as opposed to the basically broad tasking all come from the Secretary of Defense. Our tie to them is first to the Tasking Center for what they basically do and second, through the budget process for their overall budget guidance and direction.

Q. Are you planning to move the DDI out of the building?

A. Nope. Absolutely not. Somebody came to me about a month ago and said the DDI was going to Ft. Meade, and the poor people out at Ft. Meade are trying to build a whole new building because they are bulging at the seams out there and want to bring some other of their elements into Ft. Meade. I do not know where there would be room for the DDI. No, I do not really see any major housekeeping moves here as a result of all this. The only thing that is really up for grabs in the real estate sense is the National Intelligence Tasking Center--where it is going to be located and with it there obviously could be some minor numbers of relocations. I guess people who work there have got to be close to it. It could be in the Pentagon, it could be here, it could be [redacted] probably could be in some entirely new location.

Q. OCI is a part of the DDI, but it is not a production unit, it is a support service. Will it continue to support all CIA?

A. Yes.

Well, let me wrap up by saying I wish this could be absolutely explicit, and I could answer all the questions yes or no. We are not there yet. We have made a tremendous step forward here. I hope that some of the anxiety that was generated by rumors like moving to Ft. Meade has been alleviated by the fact that we have a decision. My effort to talk to you this morning is to try to alleviate further concerns that may exist. I hope you will help me by passing this word to your co-workers as best you can and bringing back up through your supervisors and directors, genuine concerns or questions that continue to exist, and we will try to keep the process going so that we answer the questions as best we can. I am afraid that you will have to ask your fellow workers in some sense to be patient where the answers just are not there yet. It is going to take time to iron out all the details. We will keep you as posted as we can. I appreciate your listening to all of this today, and we will much appreciate your help in getting the word around and then beyond that continuing in the way you are, so splendidly making this the prime agency of the Intelligence Community. We have got our work cut out for us, but I think it is exciting and challenging that we have had this much interest and attention and this much additional responsibility put on our shoulders. Thank you.